



Missouri Department of Natural Resources Energy Center

MISSOURI ENERGY BULLETIN

March 9, 2006

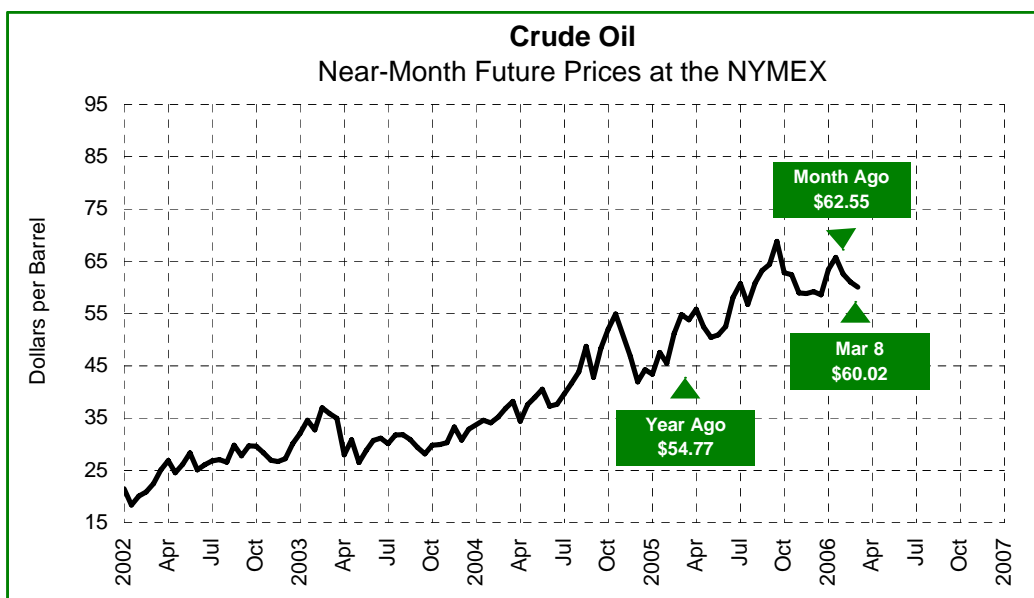
Crude Oil

On March 8, NYMEX crude oil futures fell \$1.56 to \$60.02 per barrel, a decrease of \$2.53 from last month, but still \$5.25 or 10 percent higher than at this time last year.

Crude Oil - Near Month Future Prices (dollars per barrel)

	<u>03-08-06</u>	<u>02-08-06</u>	<u>change</u>	<u>03-09-05</u>	<u>change</u>
NYMEX	\$60.02	\$62.55	down 4%	\$54.77	up 10%

- Crude oil futures for April delivery on the NYMEX dropped \$1.56 yesterday to \$60.02 per barrel as OPEC agreed to keep pumping at near capacity despite the growing crude inventory in the US. OPEC's president confirmed there would be no change to the group's 28 million barrels per day production ceiling.



- OPEC, which pumps more than a third of the world's oil, has made a commitment to ensure ample supplies amid export disruptions from Nigeria and Iraq, and simmering tensions between the West and Iran over its nuclear ambitions. Energy Secretary Sam Bodman welcomed OPEC's decision not to cut its production levels, and said it was a reflection of conversations he had with the cartel's ministers last week.
- For the week ending March 3, U.S. crude supplies increased 6.5 million barrels to 335.1 million barrels, and now stand 32.5 million barrels above last year's level at this time, according to the

Energy Information Administration (EIA). The U.S. Minerals Management Service (MMS) reports that as of Wednesday, March 8, approximately 0.35 million barrels or 23 percent of the Gulf's 1.5 million barrels per day of crude production continues to be shut down following Hurricane Rita and Katrina.

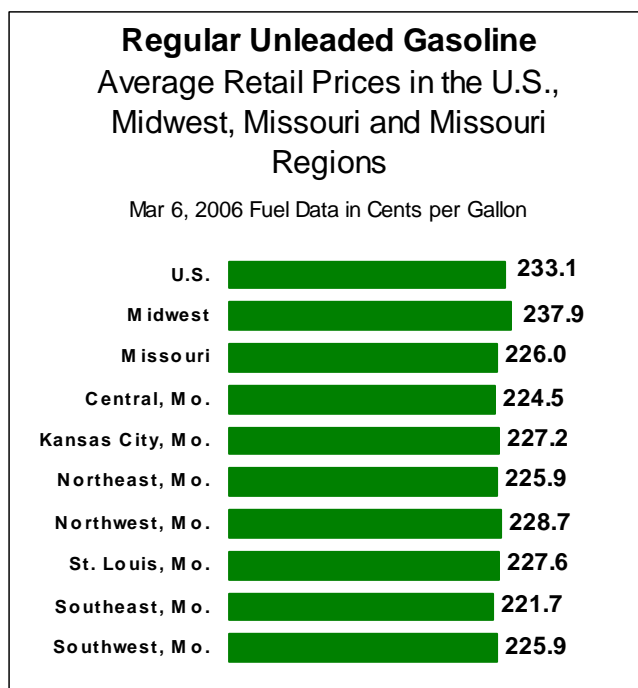
- For the week ending March 3, U.S. crude oil production remained relatively unchanged at 5 million barrels per day. Current production is below the 5.5 million barrels per day reported at this time last year. Crude oil imports increased 0.27 million barrels per day to 10.1 million barrels per day, slightly higher compared to this time last year at 10 million barrels.
- Refinery runs fell to nearly 83 percent of capacity as U.S. refineries are now firmly in the midst of seasonal maintenance. Refinery utilization fell to 14 million barrels of crude oil per day compared to nearly 15 million barrels at this time last year.

Transportation Fuels

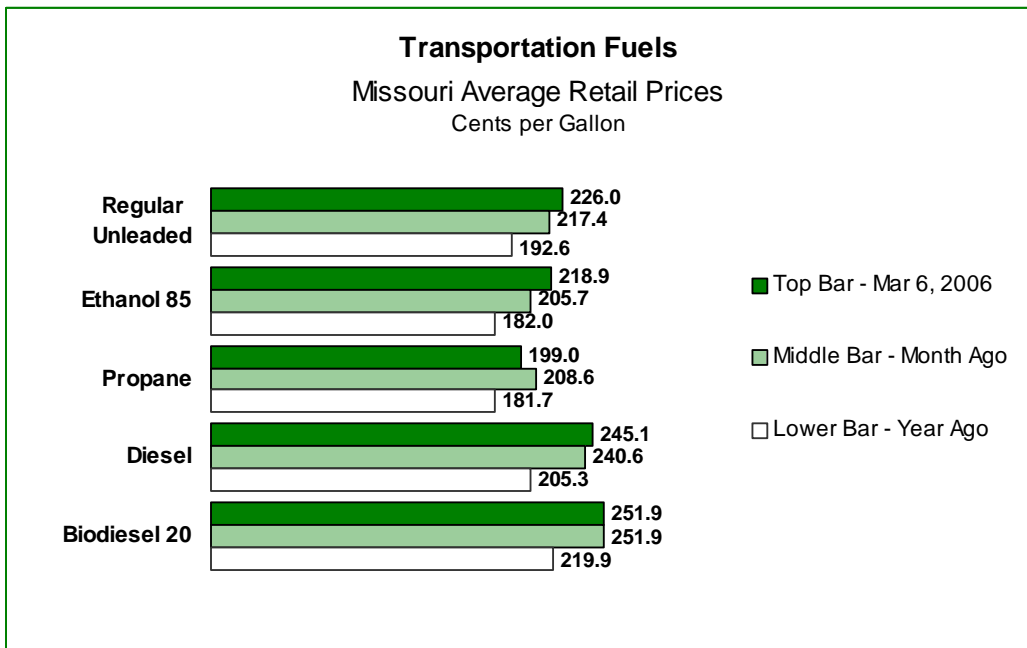
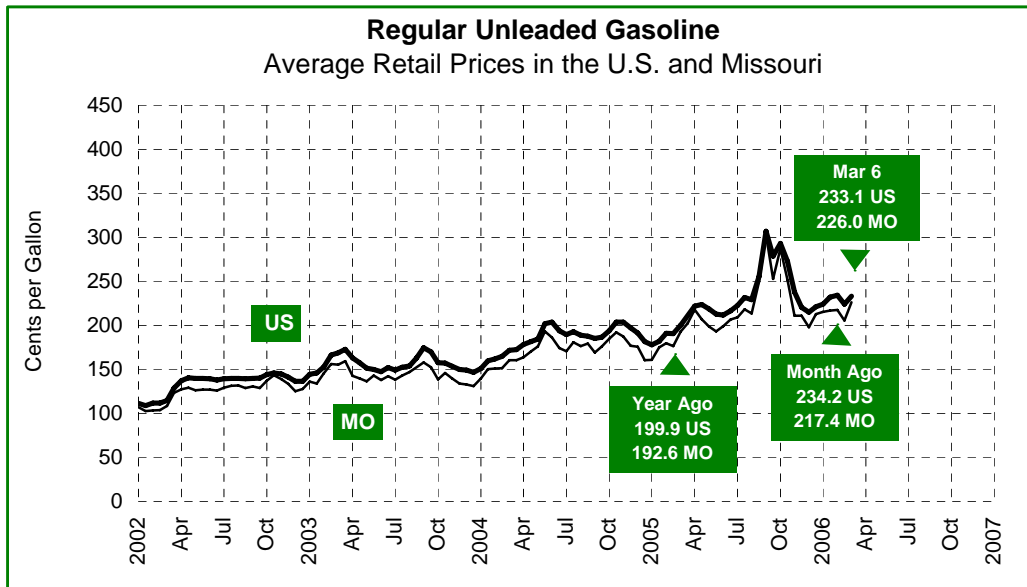
On March 6, Missouri's average retail price for regular unleaded gasoline was \$2.26 while diesel fuel was \$2.45 per gallon, 17 percent and 19 percent higher, respectively, compared to this time last year.

<i>Regular Unleaded Gasoline - Retail Prices (cents per gallon)</i>					
	<u>03-06-06</u>	<u>02-06-06</u>	<u>change</u>	<u>03-07-05</u>	<u>change</u>
US	233.1	234.2	down 1%	199.9	up 17%
Missouri	226.0	217.4	up 4%	192.6	up 17%

<i>Diesel Fuel - Retail Prices (cents per gallon)</i>					
	<u>03-06-06</u>	<u>02-06-06</u>	<u>change</u>	<u>03-07-05</u>	<u>change</u>
Missouri	245.1	240.6	up 2%	205.3	up 19%



- On March 6, Missouri's statewide average gasoline retail price was up 4 percent while diesel retail prices were up two percent from last month. Gasoline prices at the NYMEX have strengthened recently in response to tighter supplies due to refinery maintenance and a slowdown in gasoline production. On March 7, the EIA estimated the average U.S. retail price for gasoline during the initial months of 2006 would be above \$2.50 and that the average retail price for the year would be \$2.42 per gallon, 15 cents higher than last year.
- Distillate stocks, which include heating oil and diesel fuel, decreased 2.7 million barrels to 131.4 million barrels. Distillate supplies are now 22.2 million barrels higher than at this time last year.



- For the week ending March 3, U.S. gasoline stocks decreased 1.1 million barrels to 224.8 million barrels. Demand is just over 9 million barrels per day. Gasoline imports were 1.1 million barrels per day compared to 0.9 million at this time last year. Gasoline supplies are up just 0.5 million barrels from a year ago.

Coal

The average monthly price of Powder River coal was \$17.25 per ton for Feb. 2006, a decrease of 16 percent from January but an increase of 177 percent from Feb. 2005.

Coal - Spot Prices (dollars per ton)					
	<u>Feb '06</u>	<u>Jan '06</u>	<u>change</u>	<u>Feb '05</u>	<u>change</u>
Powder River	\$17.25	\$20.50	down 16%	\$6.22	up 177%

- Powder River Basin (PRB) monthly average coal prices fell slightly through mid-February. PRB coal prices were dampened in part because natural gas supplies were above expectations due to mild winter weather recently in the Midwest, South, and East, and consequent natural gas price declines.

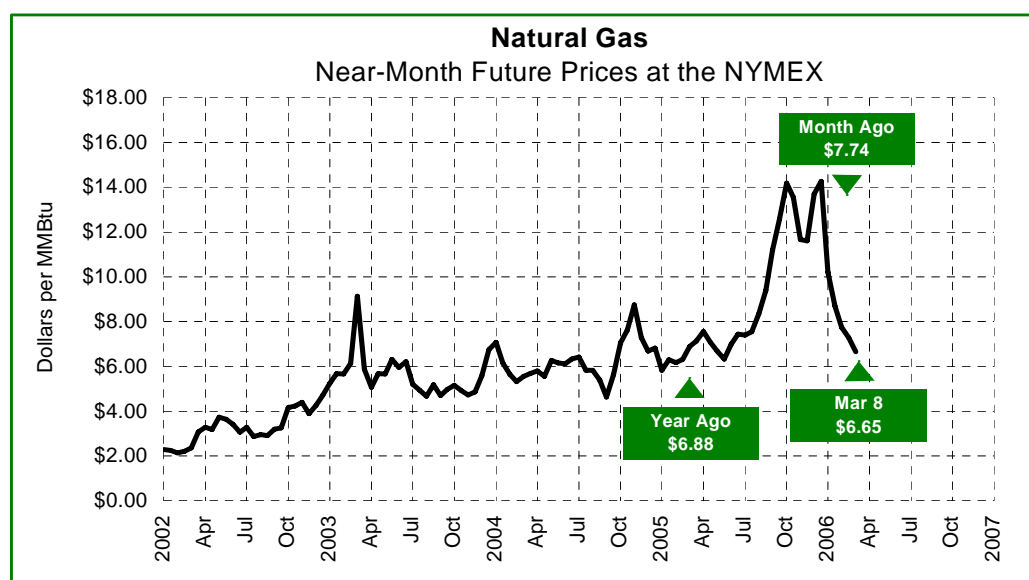
Natural Gas

Approximately 57 percent (1,261,397) of Missouri households use natural gas to heat their homes. Natural gas is also used to produce goods and electricity.

On March 8, natural gas futures closed at \$6.65 per MMBtu, a decline of 14 percent or \$1.09 since last month as the nation nears the end of the winter heating season.

Natural Gas - Near Month Future Prices (dollars per mmbtu)					
	<u>03-08-06</u>	<u>02-08-06</u>	<u>change</u>	<u>03-09-05</u>	<u>change</u>
NYMEX	\$6.65	\$7.74	down 14%	\$6.88	down 3%

- Natural gas spot price movements were mixed as temperatures varied across the U.S. Spot prices at some market locations climbed 2 to 49 cents per MMBtu primarily in areas that experienced colder-than-normal temperatures during the week, while average price declines were about 34 cents per MMBtu in other parts of the country.



- Working gas in storage was 1,887 Bcf as of Friday, March 3, 2006, according to EIA estimates. This represents a net decline of 85 Bcf from the previous week. Stocks were 393 Bcf higher than last year

at this time and 664 Bcf above the 5-year average of 1,223 Bcf. As of March 8, the U.S. Minerals Management Service estimated that 1.4 billion cubic feet per day or approximately 14 percent of the Gulf's natural gas production remains shut down.

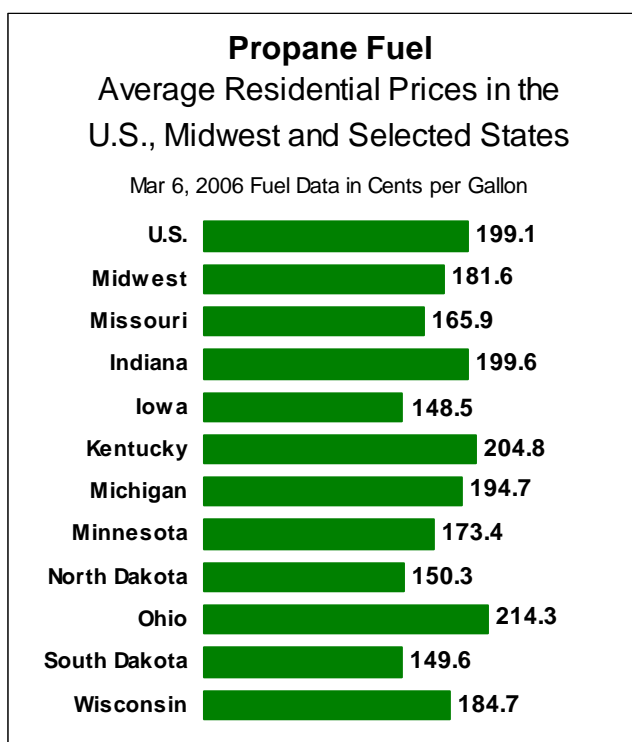
Propane

Approximately 13 percent (293,803) of Missouri households heat with propane, which is also used to support commercial operations, produce goods, dry grain harvests and fuel vehicles.

Missouri's average retail propane price was \$1.66 per gallon on March 6, down 2.1 cents from a month ago, but 17.9 cents or 12 percent higher than a year ago.

<i>Propane - Residential Prices (cents per gallon)</i>					
	<u>03-06-06</u>	<u>02-06-06</u>	<u>change</u>	<u>03-07-05</u>	<u>change</u>
Missouri	165.9	168.0	down 1%	148.0	up 12%

- Propane inventories fell by 11 million barrels during February, a near record for that month, putting the nation's primary supply of propane at an estimated 36.3 million barrels as of March 3, 2006. Last week, propane inventories fell by 1.5 million barrels, as slowly rising temperatures helped to reduce space heating demand.
- Midwest inventories decreased 0.6 million barrels, moving from 12.7 to 12.1 million barrels for the week ending March 3. Inventories stood at 10.3 million barrels at this time last year.



The Missouri Energy Bulletin is distributed twice a month by the Missouri Department of Natural Resources, Energy Center. The Energy Center collects transportation and propane heating fuel prices from several retail providers located throughout the state. To preserve confidentiality, price data are averaged and reported by region. The Bulletin is a public resource made available to state government decision-makers, other interested individuals upon request and on-line at the Energy Center Internet address. The department thanks each of the following in helping to provide accurate, timely data on fuel supplies and prices: the U.S. Department of Energy's Energy Information Administration; the National Association of State Energy Officials; the St. Louis AAA Auto Club; regional state energy offices; and Missouri's energy retailers.

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